on leave on medical grounds from 14th January, 2000. His term has expired on 06.03.2000. Shri M. Gopalkrishnan, Former Chairman & Managing Director (CMD), Indian Bank, was not asked to go on leave as reported in the news item.

PNB has reported that PNB Caps has filed winding up petitions against Willard India Ltd. and Solarson Industries Ltd. A sum of Rs. 2.10 crores has already been realized. Court has directed Willard India Ltd. to pay Rs. 50 lakhs every alternate months.

Reserve Bank of India/Government have advised the banks to take steps not only to check the incidents of NPAs but also to take effective measures for recovery of NPAs. Accordingly, banks have prepared documents of loan policy, loan recovery policy, etc. Thus, each bank now has a loan policy which sets down the manner of sanction of loan, the guidelines for sanction of loans, documentation post disbursement follow up action to be taken, etc. RBI also undertakes Annual Financial Inspection of banks. Inspecting Officers look into the adequacy of the system of post sanction supervision in banks, compliance with terms of sanction, adequacy of recovery policy, efficacy of recovery measures adopted by the banks, actual recovery of non-performing advances vis-a-vis target aimed etc. The deficiencies observed are brought to the notice of the bank for initiating quick remedial action.

Disappearance of NBFCs

1272. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) whether non-banking financial companies have disappeared after mobilising substantial resources in the form of deposits from small and middle class families, if so, how many cases of this nature has come to the notice of Government;

(b) the non-banking companies which have duped people and disappeared for the last three consecutive financial years, particularly from West Bengal, Madhya Pradesh and Maharashtra;

(c) whether Government have any plan to check haphazard growth of these unscrupulous companies; and

(d) whether before giving permission to set up such companies Government thoroughly check the antecedents of promoters of these companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The Reserve Bank of India (RBI) has reported that as per the list made available by SEBI in August, 1999, 80 companies were not traceable at their registered office of which 27 companies appeared to be Non Banking Financial Companies (NBFCs).

(b) Information is being collected and will be laid on the Table of the House.

(c) Chapter III-B of the Reserve Bank of India Act was comprehensively amended in January, 1997 vesting enhanced powers with RBI for effective regulation and supervision of NBFCs. Registration has been made compulsory for NBFCs. The entry barrier of Rs. 25 lakhs Net Owned Fund was prescribed which has been subsequently raised to Rs. 200 lakhs with effect from April 21, 1999. Powers have been given to Reserve Bank of India to prescribe and ensure compliance of prudential norms in the interest of the healthy growth of NBFCs. A new legislation for NBFCs is under consideration of the Government.

(d) As per the provisions of RBI Act, NBFCs are required to obtain Certificate of Registration from RBI for commencing/carrying on the business of non-banking financial institutions. The antecedents of promoters/directors as furnished in the application form for Registration are checked by RBI before issuing Certificate of Registration.

Application for loan under PMRY pending clearance

1273. SHRI BRAHMA KUMAR BHATT : Will the Minister of FINANCE be pleased to state:

(a) the number of educated unemployed youth who applied for loan under PMRY for setting up their own work during 1998-99 and 1999-2000 till date, state-wise;

(b) the number of applications pending till date, state-wise; and

(c) the reasons for delay and the steps taken to clear the pending applications?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) As per information provided by the Reserve Bank of India (RBI), the State-wise details of number of applications received from educated unemployed youth and those sponsored to banks during 1998-99 and 1999-2000 including applications pending with the banks till date under Prime Minister's Rozgar Yojana (PMRY) are given in the statement *(See* below)